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Stefan F. Tucker

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September 24, 2010

**Via e-mail and First Class Mail**

Heather J. McDonald, Esquire  
Baker & Hostetler LLP  
45 Rockefeller Plaza  
New York, NY 10011

**Re: The Albert H. Small Charitable Remainder Unitrust**

Dear Ms. McDonald:

Reference is made to your enclosed letter dated August 26, 2010, addressed to The Albert H. Small Charitable Remainder Unitrust (the "AHS CRUT").

In that letter, you claim that the AHS CRUT received \$1,042,997 (the "Funds") more than it invested with Bernard L. Madoff Investment Securities, LLC ("BLMIS").

You recognize, as noted in your letter, that the AHS CRUT is a charitable organization. As a result of the BLMIS fraud, the AHS CRUT has absolutely no assets left. There is nothing available to satisfy your claim.

In addition, please note that two other charities funded by Mr. Small -- The Albert and Lillian Small Foundation, Inc. and The Alper Family Foundation, Inc. f/k/a The Small-Alper Family Foundation, Inc. -- each lost, by the calculations of the Trustee, \$2,150,000 due to the BLMIS fraud. When the three charitable organizations to which funds were contributed by Mr. Small are combined, the excess of the aggregate loss over your claim of excess funds distributed is more than \$3,250,000.

In accordance with the foregoing, please take into account not only that there are no funds left in AHS CRUT, but also that the overall loss to the group of Small family charitable organizations was extraordinary.

Thank you for your attention to this letter.

Very truly yours,

  
Stefan F. Tucker

SFT:ma

Enclosures

cc: Mr. Albert H. Small  
John Schofield, CPA

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EXHIBIT D  
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SOUTHERN ENGR. CORP.

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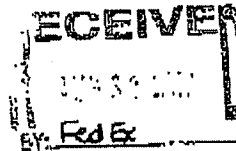
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Baker Hostetler

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August 26, 2010

VIA FEDERAL EXPRESS

Heather J. McDonald  
direct dial: 212.589.4286  
hmcDonald@bakerlaw.com

Albert H. Small Foundation Charitable Remainder Unitrust  
Mr. Albert H. Small, Trustee  
c/o Southern Engineering Corporation  
7501 Wisconsin Ave, Suite 1103  
Bethesda, MD 20814

Re: Liquidation of Bernard L. Madoff Investment Securities, LLC

Dear Mr. Small:

I write to you regarding the funds your organization invested with Bernard L. Madoff Investment Securities ("BLMIS") and the impact for your organization of the on-going liquidation of BLMIS. My firm is counsel to Irving Picard, the liquidating trustee, whose job it is to recapture funds paid to investors through preferences, fraudulent transfers and fraudulent conveyances (as defined by law), in order to redistribute the funds to customers who lost investment principal as a result of Madoff's crimes and BLMIS' bankruptcy.

According to the Trustee's ongoing investigation your organization received \$1,042,997.00 ("Funds") more from BLMIS than it invested. These Funds were paid by BLMIS to your organization from other people's investment principal since the organization opened the accounts listed on Exhibit A.

The Trustee and I recognize that your organization is a not-for-profit charitable organization and that the Funds it believed it had obtained through investment returns were to be used for charitable purposes. We also recognize that repaying these Funds to the Trustee may have implications for your organization's fiscal circumstances. Nevertheless, the law makes no distinction in these circumstances between charities and other types of organizations in the liquidation process and thus our obligation is to proceed accordingly.

Please note that the amount of Funds and other claims may change pending the Trustee's ongoing investigation. The Trustee is mindful that there may be facts and/or

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SOUTHERN ENGR. CORP.

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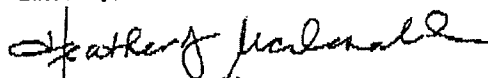
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circumstances, including the organization's current financial condition, that might impact the Trustee's view regarding the resolution of this matter. Therefore, the Trustee is requesting that you contact the undersigned as soon as possible to discuss the above-referenced transfers of the Funds in an effort to amicably resolve this matter.

We look forward to hearing from you.

Sincerely,

  
Heather J. McDonald

## APPENDIX A

**Statement by Taxpayer Using the Procedures in Rev. Proc. 2009-20 to  
Determine a Theft Loss Deduction Related to a Fraudulent Investment  
Arrangement****Part I. Identification**

1. Name of Taxpayer The Albert H. Small Charitable Remainder Unitrust
2. Taxpayer Identification Number [REDACTED]

**Part II. Computation of deduction**

(See Rev. Proc. 2009-20 for the definitions of the terms used in this worksheet.)

Line	Computation of Deductible Theft Loss Pursuant to Rev. Proc. 2009-20		
1	Initial investment	7,000,000	
2	Plus: Subsequent investments		
3	Plus: Income reported in prior years	5,555,128	
4	Less: Withdrawals	6,042,997	
5	Total qualified investment (combine lines 1 through 4)		4,512,131
6	Percentage of qualified investment (95% of line 5 for investors with no potential third-party recovery; 75% of line 5 for investors with potential third-party recovery)		4,286,524
7	Actual recovery		
8	Potential insurance/SIPC recovery		
9	Total recoveries (add lines 7 and 8)		( )
10	Deductible theft loss (line 6 minus line 9)		4,286,524

**Part III. Required statements and declarations**

1. I am claiming a theft loss deduction pursuant to Rev. Proc. 2009-20 from a specified fraudulent arrangement conducted by the following individual or entity (provide the name, address, and taxpayer identification number (if known)).

Bernard L. Madoff Securities, LLC.

2. I have written documentation to support the amounts reported in Part II of this document.
3. I am a qualified investor as defined in § 4.03 of Rev. Proc. 2009-20.
4. If I have determined the amount of my theft loss deduction under § 5.02(1)(a) of Rev. Proc. 2009-20, I declare that I have not pursued and do not intend to